GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:660
ANSWERED ON:24.11.2006
SUPPLY OF FUEL TO DABHOL POWER PROJECT
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Will the Minister of POWER be pleased to state:

(a) whether the Government is unable to provide gas/fuel to the Dabhol Power Project at a affordable price to ensure its viable functioning as reported in Economics Times dated November 1, 2006;

(b) if so, the reasons therefor; and

(c) the corrective measures taken/being taken by the Government in the matter?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (c) : The sourcing of gas, which is the main fuel for the Dabhol Power Project, is being co-ordinated by the Ministry of Petroleum and Natural Gas (MOP&NG). The latest status on availability of gas, as informed by the MOP&NG, is as under:

(i) The first gas send out from LNG terminal is targeted by end of March, 2007.

(ii) Pending LNG terminal becoming fully operational, the RLNG will be transported from Dahej LNG terminal through Dahej-Uran Pipeline (DUPL) and Dabhol-Panvel Pipeline (DPPL), being laid by GAIL. These pipelines are expected to be commissioned by the end of March, 2007.

(iii) Petronet LNG Ltd., (PLL) is discussing with RasGas, Qatar for import of 1.2 MMTPA LNG on short term basis from 2007-2009. PLL has reported that RasGas has confirmed supply of 3 cargoes every two months − meaning 18 cargoes during a year, i.e. 1.20 to 1.25 MMTPA. The price is under discussion between PLL and RasGas, Qatar.

(iv) GAIL is also holding discussions with Sonatrach, Algeria for supply of 1.2 MMTPA LNG on long term basis from 2009. Further discussions in this regard with Sonatrach are expected to be held in November / December, 2006 in Algeria. GAIL is also discussing with various other potential gas suppliers for sourcing LNG for the project on long term basis.